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Three good friends who enjoy working together as partners in our Associated Firm in Argentina. From left, Alberto T. Lopez, Carlos A. Raimondi and Francisco G. Gonzalez take time out from a busy day filled with client problems.

How it's done in Argentina

by Alberto T. Lopez

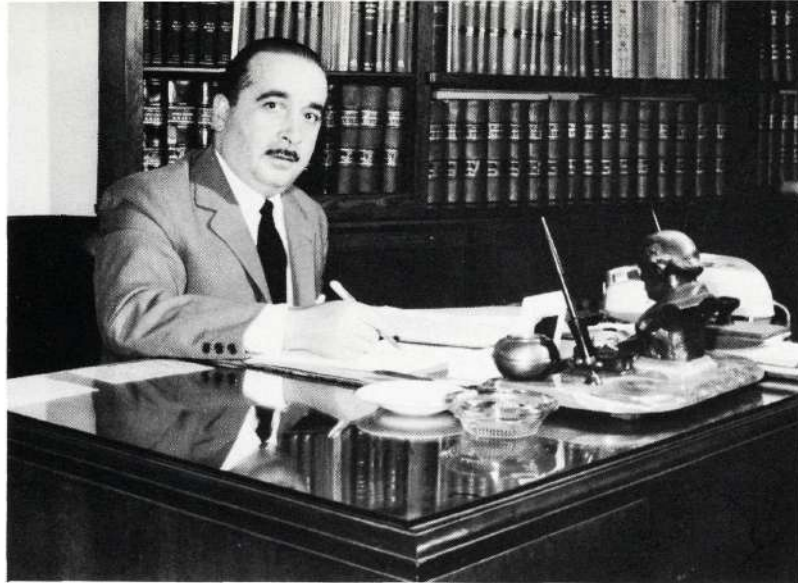
TROBAS-Argentina

NATIONAL PUBLIC ACCOUNTANTS IS THE DENOMINATION reserved for professionals who graduate from national universities. Until recently all universities in the Argentine were dependencies of the national government, hence the qualification of the professional title. National Universities are located in Buenos Aires, La Plata, Rosario, Córdoba, Mendoza and Tucuman.

Since 1958 free universities (i.e., private universities) have been authorized, but diplomas must be granted by the national government.

After elementary school (seven years), students follow courses in commercial schools for five or six years and then, with four or five years in the university (depending on the programs of each faculty) they graduate as National Public Accountants.

Courses cover, besides basic subjects like accountancy and business administration, mathematics, statistics, economics and a good deal of law (commercial, civil, maritime, bankruptcies etc.). This combina-



Francisco G. Gonzalez enjoys doing a thorough audit.

tion of economics, accountancy and law explains the ever-growing concern of NPAs with matters which are elsewhere reserved to lawyers—such as organizing, merging and winding up corporations, companies and partnerships.

Such a combination of subjects, plus basic talent, have produced a number of reliable tax consultants, to such an extent that it can be said that there are practically no lawyers practicing as tax specialists. The few who do are the exception that justifies the rule.

How they came into being

Until 1932, the country's economy was mainly pastoral and its main exports were beef and cereals. Imports covered all the range of manufactured goods: shoes were imported and so were nails or locomotives. Accountants found very little to do and although the university kept turning out a few of them every year, their prospects were bureaucracy or a vegetating career in some old fashioned commercial house, a bank, or some similar position. Independent practice was but a dream and auditing was the specialty of a couple of firms of foreign origin, with foreign staffs, performing their tasks for branches or subsidiaries of foreign companies.

Then the crisis of the '30s hit the country hard; exports could not be placed in the traditional markets; imports could not be paid for; and necessity forced the introduction of income tax, exchange controls, and industrial protection. Then came the sales tax, and after that the excess



Carlos A. Raimondi finds papers piling up in spite of hard work.

profits tax, capital gains tax and, in short, a complicated economic set-up which only experts with a good basic preparation could understand and handle.

The Income Tax Board was created and staffed with a large majority of NPAs and students of economic sciences. Thus it became a second university from which a good many of today's business administrators, independent practitioners, and even business owners were to be taken.

The tax laws of the country—national, provincial or municipal—have been elaborated, to a large extent, with NPA collaboration.

The profession is regulated by law

Until 1945 professional practice was subject to no control or regulation. The sudden growth in importance that has been outlined made it

Smiling secretary takes dictation from Alberto T. Lopez.



imperative to have rules governing the profession. Decree-Law 5103/45 was the instrument; and ever since, the obligations and rights of the NPAs have had a legal status.

Professional practice is reserved to individuals with the NPA title, but those who were practicing without the required qualifications before the enactment of the law were allowed to continue with the same kind of activities in which they had been engaged before. The partnership kind of existing firms were allowed for registration, even if partners were non-resident or non-qualified.

Thus, practitioners who were unqualified in terms of the law were given a fair deal.

Since the inception of the law professional work must be performed by NPAs or by those who were "assimilated" and professional partnerships cannot be formed between persons without the NPA title.

There are several professional careers

Argentine Universities offer several courses besides that of National Public Accountant. After a course of one or two years, NPAs may graduate as Doctors in Economic Sciences. On different lines, students can graduate as actuaries or graduates in economics and business administration and other less important specialties.

Professional possibilities

As compared with their prospects way back in the '30s, today's graduates have a wide variety of choices. A good many are needed by a fast-growing industry which is covering a considerable range of activities from steel and oil to beer, matches, liquors, perfumes, transportation, housing, etc. Many go into business administration and commercial aspects of the profession. Some specialize in mechanical equipment and a number are attracted by the government and fill positions with the Internal Revenue and other offices where their services are in permanent demand.

Whereas in the '30s the Stock Exchange was a negligible item in Argentine economy, of interest to a small number of people, mainly foreigners or descendants of foreigners, it has become a very important factor in national economic life.

Argentines, without being unduly immodest, feel that the country offers very good opportunities of economic development for which only a reasonable political stability is required. They expect also that grow-

ing confidence will result in more new enterprises and they feel, as well, that more opportunities for local professionals will be open in the new ventures.

What is more, Argentines cannot understand why the shares of local subsidiaries of foreign companies should not be locally quoted when the shares of the parent companies are quoted abroad. If that feeling is understood and local savings are given a better chance of contributing to the national economic growth, NPAs prospects of a gratifying participation in the overall effort shall be greatly amplified.

Where the Argentine associate comes in

The three partners of the Argentine firm are in their mid-forties and their life stories are practically similar. Even the family backgrounds are much alike.

All three held government positions for some time: Alberto T. López with the Board of Internal Revenue and Francisco G. Gonzalez and Carlos A. Raimondi with the Central Bank. Then a spell of work in private companies and, in 1950, independent practice for López and Gonzalez who had been working together since 1946 and knew each other since Commercial School days.

Raimondi took to the publishing business as partner of an editorial firm of which he became the sole owner. He still owns the firm, which publishes two monthly reviews: *Derecho Fiscal* (Fiscal Law) and *Derecho del Trabajo* (Labor Law) plus a good many technical books among which are: *Impuesto a los Reditos* (Income Tax) and *Impuesto a los Beneficios Extraordinarios* (Excess Profits Tax) by Alberto T. López.

López and Raimondi started a purely author-editor relationship; argued about author's rights and possible editor's pirating, brought Gonzalez into the picture and finally found that the López and Gonzalez partnership would be considerably strengthened by incorporating Raimondi and thus, effective since January 1, 1961, the present firm came into being.

Each partner has his own pet jobs: whereas López relishes a nicely entangled tax case with a good tough legal fight over a point of law or some elaborated corporate wind-up, merger or split, Gonzalez is always ready to straighten out a disorderly taxpayer or business administrator, to do a thorough audit or to supervise the work of the two others, check their theories against the law books and help them with all the work they cannot handle; he enjoys "laboratory work."

Raimondi enjoys auditing and organization and, even if apparently contradictory, he also enjoys a hearty argument with tax officers.

Thus they have been able to blend their abilities and merge into a team with a goal in mind: a respectable professional firm, dependable, reliable and rendering the best possible services for their clients.

And then the TROBAS group

In their quest for the professional ideal, first López and Gonzalez, then Raimondi felt that somehow many of the concerns which they wished to serve were bound to ignore them, unless a public mark of prestige were given to their names. At the right moment the association with the TROBAS group was offered and with it the honorable qualification: "Member of the International Group of Touche, Ross, Bailey & Smart."

For López the association was, besides, a good omen, because he has been connected from his youth with a very important firm (still a client) one of whose partners was instrumental at the turn of the century in having the late Mr. Geo. Touche associated with people practicing in Argentina in what was then the firm of Touche, Feller & Co.

And López' feeling that the association cannot but spell good luck and reciprocal good luck for all the members of the group, is heartily shared by Gonzalez and Raimondi.

Manuel Martin is the chief of the audit department at Trobas—Buenos Aires.





The secretarial staff always has a busy time.

Tax department staff: Mr. Lopez (standing) solves a problem.

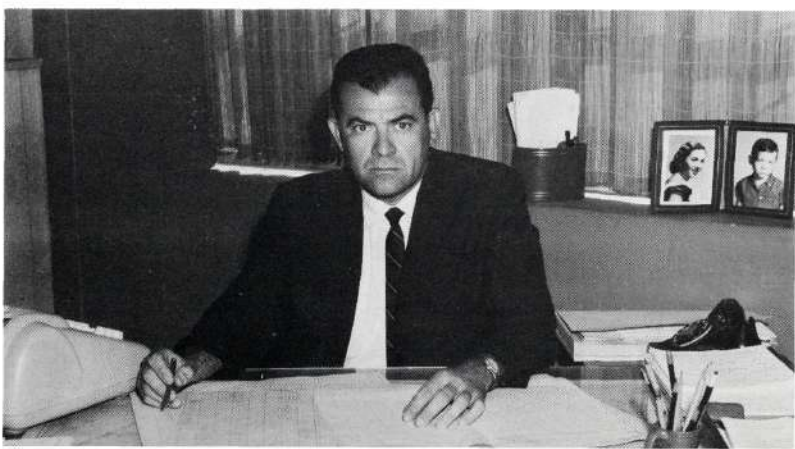




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